

MR. BUCHANAN, OF PENNSYLVANIA.

In Senate, Wednesday, January 22, 1840—On the Independent Treasury bill, in reply to Mr. CLAY of Kentucky.

Mr. BUCHANAN rose and said: Mr. PRESIDENT: It is not my purpose, on the present occasion, to go very much at length into a discussion of the provisions of this bill. I intend, in a great degree, indeed almost exclusively, to confine myself to a reply, or at least to an attempt to reply, to the remarks of the Senator from Kentucky [Mr. CLAY.]

In all discussions, if we desire to arrive at a satisfactory conclusion, it is absolutely necessary that we should distinctly understand what is the question to be discussed. Then let me ask, what is the nature and character of the Independent Treasury bill now before the Senate?

Since the origin of the Government, our own responsible officers have always collected the public revenue, and have always disbursed the public revenue. Heretofore, during the intermediate space of time between its collection and its disbursement, it has been deposited with banking corporations. The object of this bill is to provide that our own responsible officers shall be substituted as depositaries, instead of these banking corporations; and that these officers shall hereafter not only collect and disburse the public money as they have always done; but that they shall also have the custody of it between its collection and disbursement.

Under the provisions of this bill, every officer throughout the United States who receives public money is constituted a depositary. But there are certain points where very large sums of public money are collected, or are disbursed, or both; and at these points, both the security of the revenue and the public convenience required that there should be depositaries distinct from, and independent of, the collecting officers. These points are Philadelphia, New Orleans, New York, Boston, Charleston, and St. Louis. Accordingly, the bill proposes to convert the Mint at Philadelphia and the Branch Mint at New Orleans into places of public deposit, and entrusts the custody of the public money to the treasurers of these institutions respectively; and it creates sub-treasuries, each to be under the control of a receiver-general, at New York, at Boston, at Charleston, and at St. Louis.

Thus far, sir, it will be perceived that this bill makes no change in the settled policy of the country, except merely to provide that the public money, in the intermediate time, between its receipt into the Treasury and its disbursement, shall be entrusted to our own responsible officers, instead of irresponsible corporations.

In addition to these provisions, the bill contains what has been commonly denominated the specie clause. This section provides that one-fourth of

the dues of the Government shall be collected in gold and silver, after the 30th June, 1840, one-half after the 30th June, 1841, three-fourths after the 30th June, 1842; and after the 30th June, 1843, all the revenue of the Government shall be collected and all its disbursements shall be made in gold and silver coin.

Now, sir, when separated from the details necessary to carry these principles into execution, this is the bill, the whole bill, and nothing but the bill which has excited so much unnecessary alarm throughout the country.

In discussing this bill, the Senator from Kentucky has divided his remarks into two general heads. He has first considered the bill according to what its friends say it is; and in the second place, has discussed it according to what he himself believes it to be. In my reply I shall invert this order; because it is necessary first to prove that the Senator himself has entirely mistaken the nature and effects of the measure, and that its friends entertain a just conception of its character.

The Senator held up the bill triumphantly to public view, and declared that it contained within its provisions a great Government Treasury Bank. Now, if I cannot make it manifest as the light of day, that in this proposition he is entirely mistaken, I shall then agree to surrender the whole argument. The Senator has had an unsuccessful chase, through the provisions of this bill, after the lurking monster. Had he succeeded in dragging him into light, I should have been one of the first men in the country to assist in putting him to instant death. But,

"He must have optics sharp, I ween,
Who sees what is not to be seen."

This, I think, has been the case with the Senator from Kentucky.

Now, sir, what is a bank? According to the usual acceptation of the word, in our country, it performs three offices. It receives deposits, it loans money upon discounts, and it issues a paper currency. I acknowledge that, in order to constitute a bank, it is not necessary that it should perform all these three functions. There are banks of discount and deposit merely, and there are also banks of deposit and issue only; and this latter class of banks are the most secure of any in the world, when the deposits are confined to the precious metals, and the issues, in the form of certificates, do not exceed the sums actually deposited. Such was the Bank of Amsterdam, and such is now the Bank of Hamburg. It would be difficult to form an idea of a bank of issue alone, without deposits or discounts, although I know, from the utter inability of the Bank of England to regulate the paper currency of that kingdom, the question has been seriously considered whether one bank of issue ought not to be established, and whether all other banks ought not to be prohibited from emit-

zing paper currency. It is certain that, at the present moment, a bank of issue, purely as a bank of issue, does not exist on the face of the earth. Now, sir, this bill does not authorize the public depositaries to receive money from individuals on deposit; and it not only does not authorize them to loan the public money entrusted to their care, but it makes such an act a felony, punishable by fine and imprisonment. This bill, then, clearly does not create a bank either of deposit or of discount, and the Senator has not contended for any such proposition. He has confined himself to prove that it will create a bank of issue; and I shall examine this proposition a little more in detail.

And, in the first place, if there be a bank lurking in the bill, then we have had a Treasury bank in full operation ever since the origin of the Government, without having the least idea of its existence until the Senator from Kentucky made the discovery. There has been no period of time, since General Washington was first inaugurated in 1789, until the present day, when the Treasurer of the United States did not draw his warrants, either on banks or receiving officers, in favor of disbursing officers or creditors of the Government. Without this power the Treasury department could not exist. Debts could not be paid to individuals, neither could the public revenue be applied to accomplish the objects contemplated by the Constitution. There is no other conceivable mode of conducting this branch of the public business. The bill makes no change whatever in this ancient and necessary practice, except to impose an important limitation upon it which has never heretofore existed; and yet, according to the Senator from Kentucky, it creates a bank of issue; and the drafts drawn by the Treasurer on the public depositaries in favor of public creditors and disbursing officers, are to be the paper currency which it will throw into circulation. This is the sum and substance of his whole argument on this point. He might with the same reason contend, that, if an individual in extensive business had deposits in several banks, and was in the habit of paying his debts and advancing money to his agents by drawing drafts upon these banks, that, therefore, he himself had established a bank of issue. The cases are precisely analogous.

In what part of this bill has the Senator discovered the charter of his bank? He has referred to one, and only one clause, for the purpose of proving its existence. This is to be found in the tenth section of the bill, and, as it is very brief, I shall read it to the Senate. It is as follows:

"And for the purpose of payments on the public account, it shall be lawful for the Treasurer of the United States to draw upon any of the said depositaries, as he may think most conducive to the public interest, or to the convenience of the public creditors, or both."

There, sir, is the charter; and what is it but a mere recognition of the power which I have just been describing, and which has existed, and must necessarily have existed, ever since the origin of the Government. It requires the Treasurer of the United States to consult both the public interest and the convenience of the public creditor, or both, in selecting the depository on which to draw his warrant. This he has always done. In the first place he must select a de-

positary with whom there is an amount of money sufficient to meet the draft; and among such depositaries he must, unless the public interest forbids, draw upon that one where it will be most convenient for the public creditor to receive his money. Why, sir, this clause, so terrific to the imagination of the gentleman, might be stricken from the bill altogether, without producing the slightest inconvenience. The practice which it prescribes, is that which must necessarily be pursued in paying the debts of the Government. And yet this simple and necessary power is the only part of the bill on which the Senator relies to establish his great Treasury Bank!

But I said that this bill contained an important limitation which had never heretofore existed. This was introduced at the special session of 1837, upon my own suggestion. It was then apprehended that the holders of these Treasury warrants might not present them for payment within a reasonable time; and that a large amount of them might remain outstanding, and be used as bills of exchange. As these outstanding drafts would necessarily represent an equal amount of gold and silver in the hands of the depositaries, it was apprehended that, unless they were speedily presented for payment, a mass of them might continue floating in the community, and thus produce an accumulation of specie in the hands of the depositaries which might prove injurious to the banks. To prevent this evil—to render the draft upon the banks for specie as light as possible—and to cause the gold and silver to flow out of the Treasury into general circulation, as rapidly as it had flowed into it, this amendment was adopted. It now constitutes the 23d section of the bill, and is as follows:

"SEC. 23. *And be it further enacted*, That it shall be the duty of the Secretary of the Treasury to issue and publish regulations to enforce the speedy presentation of all Government drafts for payment at the place where payable, and to prescribe the time, according to the different distances of the depositaries from the seat of Government, within which all drafts upon them, respectively, shall be presented for payment; and, in default of such presentation, to direct any other mode and place of payment which he may deem proper. But in all those regulations and directions, it shall be the duty of the Secretary of the Treasury to guard, as far as may be, against those drafts being used, or thrown into circulation, as a paper currency or medium of exchange."

One might have supposed, from the extreme horror of the gentleman lest this bill might contain a Treasury Bank, that he would have been delighted with the provisions of this section. Not so. On the contrary, he has declared, in the most solemn manner, that it confers a tremendous power on the Secretary of the Treasury, to which no people, jealous of their liberties, ought to submit. The Senator is hard to please. He first denounces, in the strongest terms, the tenth section of the bill, because the Treasury drafts issued under its authority will, in his opinion, become the circulating medium of his Treasury Bank; and almost at the very next breath, he denounces, in terms equally strong, the very section which renders it impossible that they ever can become such a circulating medium.

And what is this tremendous power vested in the Secretary of the Treasury by the 23d section? Independently of postmasters, there are perhaps a hundred and fifty receivers of public money in the United States. These are scattered from Maine to Georgia, and from the Atlantic to the far West. Some

of them are at the distance of fifty miles, and others are a thousand miles from Washington. From the nature and necessity of the case, the discretionary power is conferred upon the Secretary to regulate "the speedy presentation" of these drafts, according to the different distances of the depositaries from the seat of Government; but even this is to be done in such a manner as to prevent them from being thrown into circulation as a paper currency or medium of exchange. And yet this is the tremendous power so much to be dreaded! No other provision could have been made. It would have been a work of endless and unnecessary labor to have attempted to enumerate each of the depositaries in the bill, and to have prescribed the time within which drafts on each of them should be presented for payment. This is a mere matter of detail which must be yielded to the discretion of the Secretary.

And now what, in plain English, is this Government Bank? It is no other than the power which has always been exercised by the Treasurer of the United States, to pay the public creditors, and to advance money to the disbursing officers by means of drafts on the public depositaries; with a new restriction, however, imposed upon the holders of these drafts, requiring their speedy presentation, for the express purpose of preventing the possibility of their ever becoming a circulating medium. Any man who can distinguish between a hawk and a handsaw, can discriminate between this simple provision and a great Government Treasury Bank.

The Senator, feeling that he has no foundation on which to erect his Treasury Bank in the bill, as it is, has taxed his fancy—a never failing resource—to alarm our fears as to what it will become hereafter. He leaves the present far behind, and looks forward to the future. He predicts that in less than three years necessity will compel us to change the Independent Treasury into a bank of issue. Having given his fancy the reins, he tells us how this will be performed. The Secretary of the Treasury, instead of giving single drafts on the depositaries for the amount due to public creditors, and the sums to be advanced to disbursing officers, is to have drafts prepared upon bank paper, in the likeness of bank notes, of the denomination of twenty, of fifty, and of a hundred dollars. These drafts he is to pay out like bank paper. The restriction is to be repealed requiring their speedy presentation to the depositaries. They are to become the general circulating medium of the country. In less than ten years the receivers-general are to have between forty and fifty millions of gold and silver in their vaults, to be represented by the same amount of Treasury drafts in circulation, and in the possession of the banks. The Government then calculating that the demand upon these depositaries will not require them to keep this amount of specie on hand, will draw it out clandestinely for their own purposes, as was formerly done from the bank of Amsterdam; and that some future President will, by means of this stolen money, subvert the Government, and destroy the liberties of the people.

Now, sir, is not this the merest fancy picture that was ever sketched? It is all the offspring of the

Senator's own prolific imagination. It is all prophecy, and no fact. Even by his own showing, there is no foundation for it in the bill. On the contrary, every precaution has been used to prevent the possibility of any such occurrences.

And what reason has he to predict that the friends of this measure will change all their principles and purposes in less than three years, and by new legislation convert the Independent Treasury into a Government Bank? Has not every Senator perceived the holy horror with which my friend from Missouri [Mr. BENTON] was inspired at the bare idea that the Government might ever issue "notes, bills, or paper," receivable in payment of the public dues? His lynx-eyed jealousy seized hold of these general expressions, in the 19th and 20th sections of the bill, and although there was nothing on the face of the earth on which these words could operate, unless possibly on some straggling Treasury note which might remain unredeemed long after it became payable, yet he had them stricken from the bill. "He snuffed the tainted breeze" from afar; and although there was no present danger, yet he saw a possibility that these words might have a meaning hereafter; and that in future years the Government might be willing to issue "notes, bills, or paper," and therefore we all united with him in voting for his amendment. This was, in the phrase of the lawyers, the exclusion of any conclusion which might by possibility be drawn from these general words in favor of Government paper.

But again: did not the Senator from Kentucky perceive with what alacrity the friends of the bill supported the amendment of his colleague, [Mr. CRITTENDEN,] imposing it upon the Secretary of the Treasury as a solemn duty, to take care, in his regulations for the speedy presentation of Government drafts to the depositaries, that these drafts, as far as may be, shall never be used as a paper currency or medium of exchange?

Suppose it were possible that the Secretary of the Treasury, without authority, and in the very face of the provisions of this bill, and the known and avowed opinion of its friends, should, as the Senator supposes he might, circulate these Government drafts in the form of bank paper, and of the denomination of twenty, fifty, and a hundred dollars; what do you think would be the consequence? He would instantly be deprived of his office for this daring violation of law, and would be justly held up to public execration. In justice to that officer, I ought to say that I am not one of those who consider it possible that he could ever dream of pursuing such a course, without the express authority of Congress; and I may venture to predict, with unerring certainty, that such an authority will never be conferred upon him by the present party in power. But even if he should thus violate his duty; whilst the 23d section of this bill shall remain in force, these drafts never could become a general circulating medium: and, therefore, there could never be, as the Senator supposes, an accumulation of forty-five or fifty millions of dollars in the hands of the depositaries. But even if this miracle should be accomplished, and a future President should attempt to embezzle this money, for the purpose of subverting the Government, there would still be one most unpleasant obstacle in his way. He

would then, under the provisions of this bill, be guilty of felony, and would be transferred from the White House to the penitentiary. The truth is that "these hydras, gorgons, and chimeras dire," exist only in the Senator's imagination.

The Senator, in a triumphant tone, exclaimed that, by the passage of the bill, the union of the purse with the sword will be consummated in the hands of the President. This, if true, would indeed be fearful. It would be the death knell of civil liberty in this country. Wheresoever the power over the purse and the sword is united in the hands of one man, there the Government is despotic. If any Executive Magistrate, be he King, or be he President, possess the sole power to declare war, to raise armies, to impose taxes, and to expend the public money at his pleasure, there must be an end of civil liberty in that country. This, and this alone, is what I understand to be a union of the sword and the purse. But under our Constitution and laws, the President neither has, nor ever can have, the power over either. Can he declare war? No, sir; the Constitution expressly confers this power upon Congress. Can he enlist soldiers? No, sir; he could not raise a single company to go to Florida, because Congress alone have the power to raise and support armies. Can he impose taxes upon the people, or borrow money? No, sir; Congress is exclusively vested with the power of laying taxes and borrowing money. But after this money shall have reached the Treasury, can he apply a dollar of it to any use, public or private? No, sir; no money can be drawn from the Treasury, but in consequence of appropriations made by Congress. Nay, more; if the President were so far to forget the duties of his high station, as to enter into a collusion with any of the depositaries, and draw one dollar of public money out of their possession, he would, like any other citizen, subject himself to fine and imprisonment. And this is the union of the purse and the sword, which the Senator has so feelingly described! This phrase, I thought, had had its day, and had passed into oblivion; but the Senator has again conjured up the spectre, for the purpose of alarming our fears.

The Senator tells us that he has been warring in vain for the last seven years, against the extension of Executive power and influence. Now, sir, if he had informed us that he had been warring against the Executive, but in favor of an increase of Executive power and influence, in my humble opinion he would have come much nearer the mark. It is, perhaps, the strangest spectacle which has ever been presented on the face of the earth, that in this war between the Executive and the Senator's political party, he has been endeavoring to deprive himself of power, whilst they have been struggling to prevent him from making this self sacrifice.

Let me remind the Senator of a few instances; and first, in regard to internal improvements. I happened to be a member of the other House during the administration of Mr. Adams. I do not intend now to cast any censure upon that administration. I speak merely of historical facts. In those days, by virtue of an act of Congress, the President exercised the discretionary power of making as many surveys for internal improve-

ments as he thought proper, all of which, it was hoped by those interested, would, at some future day, be constructed by the General Government. Splendid projects of such improvements were presented to dazzle the fancy, and excite the cupidity, of almost every man in the country. Our engineers were constantly traversing the Union from east to west, and from north to south; and before they were arrested in their career, the estimated cost of completing the improvements which they had surveyed or projected, if my memory serves me, amounted to more than one hundred millions of dollars. Here was a vast field for Executive influence and power. The fat jobs which might have been bestowed on favorites; the actual expenditure of immense sums of money, and the alluring hope presented by the mere survey of any railroad, turnpike road, or canal, in which masses of people felt an interest; all, all contributed to swell the tide of Executive influence. Now, sir, was there ever a lure more tempting to Executive ambition than this power of pouring out the public treasure to benefit, and, in their estimation, to bless a large proportion of the people of this country? What was the conduct of the old Roman in regard to this question? For the good of his country, he sacrificed all this power and all this patronage. His veto of the Maysville road bill arrested the whole system; and, strange as it may seem, a portion of the gentleman's seven years' war against the Executive, consisted in denouncing this voluntary surrender of Executive power and influence, as ruinous to the best interest of the country.

Again: the very bill now before the Senate, against which the gentleman has been warring, is one of the strongest proofs which the present Chief Magistrate could give, that he is willing to abandon a large portion of Executive influence. In 1837, there were between eighty and ninety Government deposit banks, scattered over every State in the Union. What an immense political power might have been exercised by the President through the agency of these banks! We know, from letters read at the called session, that they were not very scrupulous, "where thrift would follow fawning." Affiliated as they were, if the President had been disposed to exert an improper influence over them, they might have been used with prodigious effect to accomplish his purposes. The selection of these depositaries—the amount of the public money which they should receive—how long they should retain it, and in what manner they should conduct their business—all, all was left to Executive discretion. What a boundless field for Executive influence is that which the present President now desires to abandon! And yet the Senator, both at the called session, and the session succeeding it, warred in favor of compelling him to retain in his hands this unbounded source of political patronage and power. He preferred then, and, such is his detestation for the present bill, would, I presume, even now prefer, the deposit bank system to the Independent Treasury.

Can any man, in sober earnest, compare the influence which the Executive will acquire, under this bill, by the appointment of four receivers-general of public money, with that over this affiliated

league of State banks, which he now desires to abandon? Think ye, sir, that if any of the leading officers of Government, or any of the favored minions of Executive power, had desired a loan from one of these banks, that he would have asked in vain? Under the Independent Treasury bill, such favors can never be extended without subjecting both the officer granting them, and the recipient, to punishment in the penitentiary.

The Senator complains that the power of removal from office should exist in the President, and says that he is not at all satisfied with the argument in the first Congress on which it was rested. This power has been exercised, without interruption, ever since 1789. It is not, then, a recent usurpation. The first Congress of the United States which ever assembled, by their construction of the Constitution, solemnly declared that the power of removal was vested in the President; and many of the members of this Congress had themselves been members of the Federal Convention. Since the gentleman addressed the Senate, I have examined the debate, and particularly Mr. Madison's remarks upon this subject, and I think they ought to prove satisfactory to every mind. He sketches the argument in favor of the power with a master's hand.

How could the President execute the laws at all, if this power did not exist? Suppose he should discover that one of the receivers-general created by this very bill was applying the public money to his own use—if he were deprived of the power of removing him from office, he might be obliged to look patiently on and suffer him to embezzle millions. Suppose a foreign minister were violating his instructions, and betraying the best interests of his country abroad—what is to be done? Without the exercise of this power, the President would be compelled to wait until the mischief might be entirely consummated—until the country might be ruined—before he could recall this corrupt or wicked minister. I might present a hundred similar instances. This power is essential to the performance of the duty imposed upon the President of seeing that the laws are faithfully executed. Without it, he would be deprived of the necessary means of executing this high trust reposed in him by the Constitution. It is, therefore, wonderful how the existence of this power could ever have been seriously contested.

If this power of removal did not exist in the President, it would follow as a necessary consequence that the Senate must remain in permanent session for the purpose of sanctioning removals from office, as they might become necessary, throughout this vast and growing country. The public interest imperiously demands that some power should always exist competent instantly to remove all officers the moment they are discovered to be betraying their trust. But the Constitution never contemplated that the Senate should be in session permanently. Heaven forbid that this should ever be the case! After having been in the political atmosphere of Washington for six months, it is necessary that we should go home to mingle with our constituents and to breathe the pure air of the country. The American people never will

consent, and never ought to consent, that our sessions shall become permanent.

Having now replied to all the arguments adduced by the Senator under his second general head, and having, I think, demonstrated that the bill contains no Government Treasury Bank, I shall proceed to reply to those which he urged under the first general head. It will be recollected that this was to consider the bill according to the construction placed upon it by its friends, which, I have endeavored to prove, is the true construction.

Before I address myself directly to the Senator's argument, allow me to indulge in some general observations.

What has been the financial history of this country for the last twenty-five years? I can speak with positive knowledge upon this subject during the period of eighteen years since I first came into public life. It has been a history of constant vibration—of extravagant expansions in the business of the country, succeeded by ruinous contractions. At successive intervals many of the best and most enterprising men of the country have been crushed. They have fallen victims at the shrine of the insatiate and insatiable spirit of extravagant banking and speculation. Starting at the extreme point of depression of one of these periods, we find that the country has been glutted with foreign merchandise, and it requires all our efforts to pay the debt thus contracted to foreign nations. At this crisis the banks can do nothing to relieve the people. In order to preserve their own existence, they are compelled to contract their loans and their issues. In the hour of distress, when their assistance is most needed, they can do nothing for their votaries. Every article sinks in price, men are unable to pay their debts, and wide spread ruin pervades the land. During this first year of the cycle, we are able to import but comparatively little foreign merchandise, and this affords the country an opportunity of recruiting its exhausted energies. The next year the patient begins to recover. Domestic manufactures flourish in proportion as foreign goods become scarce. The industry and enterprise of our citizens have been exerted with energy, and our productions have liquidated the foreign debt. The third year, a fair business is done. The country presents a flourishing appearance. The banks, relieved from the drains of specie required for foreign export, begin once more to expand, and tempt the unwary to their ruin. Property of all descriptions commands a fair price. The fourth or the fifth year the era of extravagant banking and speculation returns, again to be succeeded by another ruinous revulsion.

This was the history of the country up till 1837. Since then we have travelled the road to ruin much more rapidly than in former years. Before that period it had required from three to six years to get up an expansion and its corresponding explosion. We have now witnessed the astounding fact that we can pass through all these changes, and even from one suspension of specie payments to another, in little more than two years.

It is curious to observe with how much accuracy you can read the ever changing condition of this country in the varied amount of our importations. The year 1836 was one of vast expansion, and

produced the explosion and suspension of specie payments in 1837. The imports were greatly diminished in 1837, being less than they had been in 1836, by nearly fifty millions of dollars. In 1838, they sunk down to twenty-seven millions less than they had been in 1837, and nearly seventy-seven millions less than they were in 1836. In 1839, we had another expansion, and our imports were forty-four millions of dollars greater than they had been in 1838. This expansion preceded the explosion and suspension of specie payments in the month of October last. Thus we have become such skilful architects of ruin, that a single year was sufficient to prepare the late explosion.

There never has existed a nation on earth, except our own, that could endure such rapid and violent expansions and contractions. It is the buoyancy of youth—it is the energies of our population—it is the spirit which never quails before difficulties—which enables us to endure such shocks without utter ruin. Yes, sir, a difference in the amount of our imports, between the years 1836 and 1838, of seventy-seven millions of dollars, is sufficient to excite the astonishment of the world.

What causes chiefly operated to produce this speedy recurrence of the second explosion and the second suspension of specie payments? Three may be mentioned. In the first place, after the bank suspension of 1837, every person who was friendly to well regulated banks, if such a thing be possible under the present system, ardently desired that the different State Legislatures might impose upon them some wholesome restrictions. It was expected that they would be compelled to keep a certain amount of specie in their vaults in proportion to their circulation and deposits; that the foundation of a specie basis for our paper currency should be laid by prohibiting the circulation of bank notes at the first under the denomination of ten and afterwards under that of twenty dollars; that the amount of their dividends should be limited; and, above all, that upon the occurrence of another suspension their doors should be closed at once, and their affairs be placed in the hands of commissioners. The different Legislatures met. Much indignation was expressed at the conduct of the banks. They were severely threatened; but at last they proved too powerful for the people. Indeed, it would almost seem as if most of the State Legislatures had met for no other purpose than to legalize the previous suspension of specie payments. No efficient restrictions were imposed; and the banks were thus taught that they might thereafter go unpunished—unwhipped of justice. Past impunity prevented them from reducing their business and curtailing their profits in such a manner as to render them secure in the day of trial. They have fallen again; I fear again to enjoy the same impunity.

In the second place, the immense amount of money loaned to many of the States in England, a large portion of which was brought home in the form of foreign merchandise, afforded great facilities for overtrading, or rather overbuying.

And in the third place, the conduct of the Bank of the United States greatly tended to produce these excessive importations. That institution became the broker for the sale of all State bonds in

Europe. It endeavored to monopolize the entire cotton trade of the country; and it drew bills of exchange on England, most freely, at moderate rates, against the proceeds of these bonds and of its cotton. Every temptation was thus presented to speculations in foreign merchandise.

These three causes combining, have occasioned a second suspension of specie payments within two years after the first, and produced that bloated credit system, from the wreck of which our country is now deeply suffering.

I most heartily concur with the Senator from Kentucky in one of his positions. We certainly produce too little and import too much. Our expanded credit system is the great cause of this calamity. Confine it within safe and reasonable bounds, and this disastrous effect will no longer be produced. It is not in the power of Congress to do much towards a consummation so desirable. Still we shall do all we can; and the present bill will exercise some influence in restraining the banks from making extravagant loans and emitting extravagant issues.

What effect has this bloated system of credit produced upon the morals of the country? In the large commercial cities, it has converted almost all men of business into gamblers. Where is there now to found the old fashioned importing merchant, whose word was as good as his bond, and who was content to grow rich, as our fathers did, by the successive and regular profits of many years of patient industry? Such men were the glory and pride of commerce, and elevated the character of their country both at home and abroad. I ask, where are they? Is not the race almost extinct? All now desire to grow rich rapidly. Each takes his chance in the lottery of speculation. Although there may be a hundred chances to one against him, each, eagerly intent upon the golden prize, overlooks the intervening rocks and quicksands between him and it, and when he fondly thinks he is about to clutch it, he sinks into bankruptcy and ruin. Such has been the fate of thousands of our most enterprising citizens.

If the speculator should prove successful and win the golden prize, no matter by what means he may have acquired his wealth, this clothes him with honor and glory. Money, money, money, confers the highest distinction in society. The Republican simplicity and virtue of a Macon would be subjects of ridicule in Wall street or Chestnut street. The highest talents, directed by the purest patriotism, moral worth, literary and professional fame, in short, every quality which ought to confer distinction in society, sink into insignificance when compared with wealth. Money is equivalent to a title of nobility in our larger commercial cities. This is the effect of our credit system.

We have widely departed from the economical habits, and simple virtues of our forefathers. These are the only sure foundations upon which our Republican institutions can rest. The desire to make an ostentatious display of rapidly acquired wealth, has produced a splendor and boundless expense unknown in former times. There is now more extravagance in our large commercial cities, than exists in any portion of the world, which I have ever seen, except among the wealthy nobility of Eng-

land. Thank Heaven, this extravagance has but partially reached the mountains and valleys of the interior. The people there, so far as their potential voice can be heard, are determined to put an end to this bloated credit system, which threatens to involve not only their private fortunes, but their political liberties in ruin.

After the revulsion in 1837—after the banks had blown up, and left the Government without a dollar, the President found it necessary to convene Congress. It then became indispensable to take a new departure. The course which ought to be pursued was the question. The banks had betrayed our trust; they had converted our money into rags, by a species of alchymy the very reverse of that which was attempted in former times, of converting baser things into gold. The President then recommended an absolute divorce between Bank and State, and his political friends in Congress cordially responded to this recommendation. We then gave our banner to the breeze, with the motto of an Independent Treasury inscribed upon it. Have we not firmly and immoveably maintained our position? Had we been the cormorants after office which our enemies have described us to be, we should have yielded our convictions, when we found one State after another abandoning our standard. Neither the love of power nor of place made us falter. We did not yield to the panic of the moment. We have ever since kept this issue distinctly before the people, honestly believing that a separation of the Government from banks was necessary to promote the best and dearest interests of the country. In the opinion of our political opponents, we stood self-immolated. But the people have at length gloriously come to the rescue. The Senator is entirely mistaken in supposing this bill to be unpopular. In every instance, during the elections of the last year, when the question of an Independent Treasury was distinctly made before the people, the result has been either the election of the Administration candidates, or a greatly increased number of votes in their favor. Is it not certain, that if the Congressional elections in those States which elected their members in 1838, had been postponed until 1839, we should now be in a triumphant majority in the other House? The Whig party know this; and I am greatly mistaken in the signs of the times, if they have not determined that this bill shall pass. They will no longer give us the battle cry of an Independent Treasury. The bill is destined to become a law during the present session. I prophesy this result, and prophesy it solely upon my opinion of the sagacity of the Whig party. It is possible I may be mistaken, but if I should, I shall have one consolation in my disappointment. If my political existence depended upon the result, I should rather have the success of the Independent Treasury identified with the reelection of Mr. Van Buren, than any other argument which can be used in his favor. It alone would be sufficient to defeat the hero of Tippecanoe.

Now, sir, great changes have taken place in public opinion since September, 1837. The prominent arguments then urged upon this floor against the Independent Treasury bill have nearly all vanished away. We now hear no more of a system of well regulated specie paying State banks to act

as Government depositories. The half-way house has been abandoned. The accommodations there are no longer good. It is in a ruinous condition, and can no longer shelter those who formerly took refuge in it. The banks have blown up twice within little more than two years, and thus blown this argument of their friends sky high. No statesman, after our recent experience, would now think of placing the people's treasure with the banks on general deposit for safe keeping.

Far different is the Independent Treasury. It presents every guarantee which can be afforded for the safety and security of the public money. It will be in the custody of officers appointed by the Government, responsible to the Government, and punishable as felons for every violation of their trust. In the day of danger, when the country is involved in war, the money will always be ready; and at such a crisis, the banks would almost certainly suspend specie payments. Besides, they are mere State institutions, over which we have no control; and they may, when they please, convert our money into rags, and then place us at defiance. They are beyond the reach of punishment under our authority. The Federal Government cannot justly be considered independent, if we must resort to State banks, or to any other power except our own, for the purpose of keeping the money raised from the people by taxation, until it can be applied to execute the great powers conferred upon us by the Constitution.

Again: public opinion has annihilated another argument against the Independent Treasury. The Senator from South Carolina, in March, 1838, [Mr. PRESTON,] in his tenderness towards the State banks, and for the purpose of enabling them to resume specie payments, proposed that we should, for a limited period, receive their irredeemable paper in the payment of dues to the Government. Much eloquence was also formerly wasted upon the extreme cruelty of having one currency for the Government and another for the people. Thank God! we hear no more of all this. No person now contends that, under any circumstances, the Government ought to receive depreciated bank paper. Such fantasies have proved too light for earth. They have risen to the moon, where it is said the crude notions of speculative politicians are still floating about, and have a local habitation and a name.

The Senator charges us with having employed the State banks as depositories, and having commended their conduct in the highest terms. This was a grievous sin, and grievously have we answered it. The difference between him and us is this: that after they had shown themselves to be utterly unworthy of our confidence, we abandoned them; but at that moment he clasped them to his bosom. Admitting that there has been inconsistency on both sides, the state of the fact is this: we adopted the State banks; they betrayed us, and we cast them off forever. The Opposition denounced this system in the beginning, and prophesied that it would prove a failure; but at the very moment when their prediction was verified, they embraced these castaways themselves with all the ardor of lovers. These banks, as depositories of the public money, are now repudiated by all

parties. Their day has passed, and we shall hear little more of them in connection with this subject.

All men are wise after the fact; but, to look back, it has often occurred to me as wonderful how we could ever have confided in the State banks as safe general depositories of the public treasure. Our system of banking is the very worst, and the most irresponsible that has ever existed on the face of the earth. The charters of these banks nowhere impose any efficient restraints upon the first instinct of their nature, which is to make as much money for their stockholders as possible. They will, therefore, always expand their credits and their issues in the day of delusive prosperity, without regarding the approaching storm. The immense deposits of the Government increased this fatal tendency; whilst the public money was freely loaned, and its security placed at hazard, for the benefit of their stockholders, but for the ruin of the country. The wonder, perhaps, ought rather to be that they held out so long, than that they should have finally exploded.

In 1836, the immense amount of these deposits had stimulated them almost to madness. The expansion was then great beyond all former example. Speculation raged throughout the land. The suspicions of the country were aroused against the Government, and the banks were charged with granting peculiar favors to men high in office, and to influential partisans of the Administration. They were denominated "the pet banks." Such was the general sense of the insecurity of the public money, in their possession, and such the jealousy which existed among the people, in consequence of their connection with the Government, that I verily believe the present Chief Magistrate would never have been elected, had it not been for the passage of the deposit bill. The adoption of this measure was a choice of evils; but it was a much less evil than to have left nearly forty millions of the public money in possession of the banks. Under the Independent Treasury system, we shall never again be placed in such a fearful dilemma.

I was very much astonished that we had no homily from the Senator against the specie clause of the bill. Even this seems to have lost much of its terrors. It is no longer the terrific monster which was to devour all the banks and establish a pure metallic currency for all the transactions of all the people of the United States.

There could be no Independent Treasury without this clause. If you were to receive bank notes in payment of the public dues, and retain them in your possession, you would, in this manner, encourage the banks as much to make extravagant expansions, as though you placed the same amount with them on general deposit. Besides, you would thus confer a dangerous power upon the Secretary of the Treasury, enabling him to favor some banks and to ruin others; and even if this power should not be abused, suspicion would always surround its exercise. You must separate from the banks in every particular. Evils, both to them and to the country, will follow from the least connection with them. Besides, if you receive bank notes at all, to the extent of the amount which you hold on hand, you incur the very same risk of having them converted into irredeemable paper by an explo-

sion of the banks, as if they held them on general deposit.

The Senator commenced his speech by presenting us the most gloomy picture of national distress. He predicted that this distress would continue to increase during the present year, and that it would affect all classes of the community. The suffering, he thinks, will be peculiarly severe during the approaching summer. I might say to him,

"Thy wish was father, Harry, to the thought."

I do not believe, however, he would desire that the people should suffer in order to accomplish any political purpose. But if, without contributing to this result himself, it should be the will of the powers above to involve us in pecuniary distress between this time and the Presidential election, he would doubtless bear the dispensation with Christian fortitude. It would furnish political capital for his friends, and might contribute greatly to verify his prediction, that General Harrison will take possession of the White House on the 4th of March, 1841.

In my opinion, the Senator has greatly exaggerated the extent of the existing distress. That all classes of the community have suffered in some degree is certain; but intense suffering has been chiefly confined to the large commercial cities, and those portions of the Union, such as the State of Mississippi, where the banks have so evidently ruined the people as to place all doubt of the cause at defiance. Where is there the country under the sun on which a bountiful Providence has poured out more blessings than on Mississippi? No population on the globe, in proportion to their number, produces a larger amount of wealth from the cultivation of the soil. And yet the bounty of Providence has been counteracted by her miserable banking system, and her people are now subjected to intense suffering. In this instance the effect flows so palpably from the cause, that every man sees and feels and knows it. What an astonishing fact was that stated by the Senator from Mississippi, [Mr. WALKER,] that in those counties of his State where banks do not exist, there is no suffering even at the present moment! If you wanted an illustration of the pernicious effects of the banking system, when it tempts farmers and planters to abandon their own proper business and embark on the ocean of wild speculation, you could not have one more striking than that presented by Mississippi at the present moment. I am not aware that there is much individual distress among the mass of the people in the interior of Pennsylvania. There it is chiefly confined to those who have been tempted, in the day of prosperity, to go beyond their means by the facility of obtaining bank accommodations.

But if I read the signs of the times aright, the crisis has passed, or rather is gradually passing away. We cannot return to a state of prosperity before the Presidential election; but the condition of individuals, generally, will not be one of intense suffering. The resources of this vast country are so great, and the productive classes are so industrious, that with two years of fair play, they can produce as much wealth as the speculators have been able to squander in one. There will be no great suffering during the next summer, unless it may be in our large commercial cities.

After presenting in glowing colors the distress of the country, the Senator asks what measure of relief have we proposed? I might ask him, in return, where he will find any clause in the Constitution conferring power upon Congress to regulate the banking and credit system of the respective States, and thus strike at the root of our calamities and embarrassments? The present Administration have not had the slightest agency in creating the existing distress, and can do but little to arrest it, or prevent its recurrence. This is a duty which devolves upon the States. Still we have proposed a measure which we believe will produce this effect to a limited extent. Our chief objects in adopting the Independent Treasury, are to disconnect the Government from all banks, to secure the people's money from the wreck of the banking system, and to have it always ready to promote the prosperity of the country in peace, and defend it in war. Incidentally, however, it will do some good in checking the extravagant spirit of speculation, which is the bane of the country.

In the first place, by requiring specie in all receipts and expenditures of the Government, you will create an additional demand for gold and silver to the amount of five millions of dollars per annum, according to the estimate of the President. A large portion of this sum will be drawn from the banks, and this will compel them to keep more specie in their vaults in proportion to their circulation and deposits, and to bank less. This, so far as it may go, will strike at the root of the existing evil. I fear, however, that it will prove to be but a very inadequate restraint upon excessive banking.

In the second place, this bill will, in some degree, diminish our imports, especially after June, 1842. I most heartily concur with the Senator in desiring this result. What is the condition of the importing business at the present moment? It is almost exclusively in the hands of British agents, who sell all the manufactures they can dispose of in other portions of the world, and then bring the residuum here to glut our markets. According to our existing laws, they receive a credit from the Government for the amount of its duties. They sell the goods for cash; and this credit becomes so much capital in their hands, to enable them to make fresh importations. The Independent Treasury bill requires that all duties shall be paid in gold and silver; and after June, 1842, the compromise law will take away the credits altogether. We shall then have a system of cash duties in operation, which will contribute much to reduce the amount of our importations, and to encourage domestic manufactures.

In the third place, this bill will make the banking interest the greatest economists in the country, so far as the Government is concerned. Their nerve of self-interest will be touched in favor of economy, and this will induce them to unite with the people in reducing the revenue and expenditures of the Government to the lowest standard consistently with the public good. They will hereafter abhor a surplus revenue, as much as they delighted in it formerly, when they used it for banking purposes. Any surplus which may exist in future, will be locked up in gold and silver in the vaults of our depositories; and, in proportion to its amount, will

deprive the banks of so much of their specie. They will, therefore, become the partisans of reducing the revenue to the actual and necessary expenditures of the Government; so that the specie may flow out of the sub-treasuries with a rapidity corresponding with its influx. Nothing but a large surplus can seriously injure the banks. This was demonstrated to me by one of the most distinguished financiers which our country has ever produced, not himself, I believe, friendly to the Independent Treasury. These Treasury drafts, in the natural course of business, will find their way either into the banks at the very points where our depositories are situated, or into the hands of individuals there having duties to pay to the Government. Take, for example, New York. A public creditor receives such a draft on the receiver-general in payment of his debt. Will he carry it to New York, receive payment, and transport the specie from that city? Such instances will be rare. He will generally deposite it to his credit in the bank with which he transacts his business, wherever that may be. This bank, if not in New York, will transmit it for collection to one of the banks there; and thus these banks will draw the specie from our depository as rapidly as it is drawn from them for the payment of the public dues. Thus the equilibrium will be preserved, so long as the Government is without a large surplus. In other instances, these drafts will be sought after and procured by individuals having duties to pay, and they will be presented to the receivers-general, and accepted by them instead of gold and silver.

I now come to another and the most important portion of the gentleman's argument. If the President had taken the Senator from Kentucky under his umbrella, and wrapped his India-rubber cloak around him, and made him his Palinurus to steer the ship of State—

[Here Mr. CLAY said this was not a possible case.]

Mr. BUCHANAN replied, that all things are possible, and wonders will never cease. I admit that such an event is not very probable; but should it ever occur, true as the needle to the pole, the Senator would steer direct for a National Bank. This is the Senator's sovereign panacea for regulating the currency of the country and restraining the extravagance of the State banks. I admit that the true issue now before the country is between an Independent Treasury and a National Bank. "The Pet Bank" deposit system has been such an utter failure that another resort to it cannot be seriously contemplated by any considerable portion of the American people. I feel the utmost confidence in the success of the Independent Treasury, should the law be ably and efficiently executed; but should it fail, the next experiment will doubtless be another Bank of the United States.

Waiving, at present, the constitutional question on which I have often expressed my opinion before the Senate, I propose to take up the Senator's argument, and prove that such a bank would not regulate the currency if it could; and that even if it felt the will to do so, it would be entirely destitute of the power.

Would such a bank, then, if it could, control and regulate the loans and issues of the State banks?

In the affairs of human life, if you expect one agent to restrain another, you ought to render their interests conflicting. This proposition is emphatically true, when such agents are banking corporations, intent upon declaring the largest possible dividends among their stockholders. Now a Bank of the United States, so far from feeling any interest adverse to the State banks, would have the very same inducements with them to make extravagant loans and issues. The duty of such a bank, as a regulator of the currency, would be directly at war with its interest as a banking institution. You cannot raise men above the selfish passions of their nature, by making them directors and stockholders in a Bank of the United States. When their interest as bankers conflicts with their duty as regulators of the currency, the history of mankind points you to the probable result. Like the State banks, they will always extend their loans and their issues, whenever they can do so without endangering their own security. This is the powerful instinct of self interest. It is absurd, then, to expect that the president and directors of a Bank of the United States will ever become safe and efficient regulators of the currency, in the very face of their own interest as stockholders. It would be easy for me to prove, from historical facts, that neither the former nor the present Bank of the United States ever did exercise a regular and efficient control over the issues of the State institutions. On the contrary, whenever their interest impelled them to extend their own issues, they have pursued this course; and thus, instead of checking, they have given loose reins to the State banks. Both the Bank of the United States and these banks have thus together rushed on, and with united forces have ministered to that spirit of overtrading and extravagant speculation which has so often desolated our country. Time will not permit me to do more than refer to the vast expansions of this Bank in 1817 and 1818, in 1823, in 1831, and in 1834. These produced ruinous contractions and universal distress. I think I may affirm, with perfect safety, that at each of these periods, instead of restraining the State banks, it took the lead. Has it ever preserved the State banking institutions in a sound condition? Let Mr. Gallatin answer this question. He says that one hundred and sixty-five of our banks broke between 1811 and 1830; and during the greater part of this period, we all know that the present Bank of the United States was in active existence.

My great object, however, at this moment, is to prove, from the present condition of the Bank of the United States, how hopeless it is to expect that any similar institution can ever be relied upon as a regulator of the currency. That Bank still exists, if its present condition may be called existence; and this is the first occasion on which I have ever known the Senator to be guilty of ungratefully abandoning an old friend in the hour of calamity. Before I take my seat, I shall endeavor to identify the gentleman and his party with this institution. "They were lovely in life, and in death they shall not be divided."

It is said that the Bank of the United States is now but a mere State institution. But is its character changed by changing the source whence it

derives its charter? Is it not still the same institution that it ever has been, with the same capital, the same directors, the same stockholders, and, until very recently, has it not been governed by the same controlling will? Has it not been exultingly proclaimed by its former president, that it now has a much better charter from Pennsylvania than that which it had received from Congress? This is strictly the truth; for such a charter as that under which it now exists was never before granted to any banking corporation, either in England or this country. The United States, it is true, ceased to be a stockholder; but it enjoyed the privilege of selling their seven millions of stock, for which it could have procured, and doubtless did procure, a large advance.

From the very nature of things, this vast monopoly, with a capital of \$35,000,000, could not have become a State institution. A single State, with more than a sufficient number of State banks already in existence, could not have furnished employment for its immense capital. It would have starved within such narrow limits.

Did it, in point of fact, confine its operations to Pennsylvania? No, sir; it aspired to regulate the currency and exchanges of the whole Union. This was the high political duty to the performance of which it proclaimed itself destined. To tell me that this Bank all at once changed its character and became a mere State institution, simply because it had received a charter from the Legislature of Pennsylvania, is to deny the evidence of our own senses. Was not the currency issued under the new charter, as well as that under the old, declared, in 1836, to be the best currency which the world had ever seen? Did not the new notes command the same premium, all over the Union, with the old ones; and would they not still continue to command the same premium if it had not fallen—fallen from its high estate?

Why, sir, it became, in fact, more a Bank of the United States after it received its Pennsylvania charter than it had ever been before. It bought up State banks and converted them into branches, in Louisiana and in Georgia; and it shot out its branch agencies over the whole Union. In New York it has established a branch bank, under their free banking law.

Since its new charter, not content with the whole United States as the theatre of its operations, it has established an agency in England, and aspired "to beard the lion in his den," and to become the rival of the Bank of England in London itself. It scorned to confine itself to banking operations alone; but has invaded the province of the merchant, and has attempted to monopolize and regulate the whole cotton trade between Europe and this country. And yet this Bank is now said to be a mere Pennsylvania institution!

Now, sir, how has it succeeded in the task which it imposed upon itself—of regulating the bank issues, and the foreign and domestic exchanges of the Union? In little more than one year after its charter from Congress had expired, whilst in all respects it was under the same government, and continued to pursue the very same course of policy that it had done before, it became insolvent, and suspended specie payments with less than one mil-

lion and a half of gold and silver in its vaults, or less than one dollar for twenty-three of its capital, to meet all its immense liabilities. Their amount at the time I do not recollect at present, nor have I the means of ascertaining it in my possession.

Now, Sir, I would ask the Senator, is there the least reason to believe that if this bank had continued to be the depositary of the public revenue until May, 1837, that its fate would have been averted, or that we should not then have had a general suspension of specie payments? Why, sir, the public deposits would only have added fuel to the flame; and would have tempted the Bank to engage in still wilder speculations. The overbanking and overtrading of 1836, which were conducted under its auspices, would have become still greater—the expansion would have been still more extravagant—the bloated credit system, which enabled us in that year to import foreign merchandise to the value of nearly one hundred and ninety millions of dollars, might have raised our imports up to two hundred and fifty millions; and the catastrophe which followed would have been still more dreadful.

In order to repair its fallen fortunes, true to the law of its nature, this Bank has since proceeded from one extravagance to another, until it is now almost a heap of ruins. Instead of controlling and regulating the other banks of the country, it has notoriously been the chief, nay, almost the only cause, of the existing suspension of specie payments. The glory of which its friends now boast is, that it has been able to borrow £800,000 sterling, at an extravagant rate of interest, from private bankers in England, to save it from immediate bankruptcy and ruin. Alas! how are the mighty fallen!

And it is by the creation of another such institution that the Senator seeks to regulate the currency, and control the bank issues of the country! Why, this is faith against fact; speculation against experience. This would be to adopt, as our grand regulator, an institution precisely similar to that which has been the great author of our vast bank expansions, and our bloated credit system; and which has fallen under the weight of its own extravagance. With all the experience which the people of the United States have had upon this subject, it will be long, I trust, very long, before they return to a Bank of the United States.

But I proposed to prove that, even if a Bank of the United States had the disposition to restrain the loans and issues of the State banks, it would not possess the power. I suppose a case for the sake of the argument, which can scarcely ever exist, because, as a regulator of the currency, it would have a duty to perform directly at war with the interest of its stockholders.

The only mode by which it has been thought that this object could be accomplished, was for the Bank of the United States, confining its own business within safe and proper limits, to receive the notes of the State banks on deposit and in payment, and to call upon them at short periods to pay the balances in specie. But, in the nature of things, it would be impossible for such a bank to receive the notes, and restrain the overissues of more than a very few of the eight hundred banks,

which are now scattered over this country. Each of these banks has its own limited sphere of circulation, and they are not compelled to receive the paper of each other. In point of fact, this is not generally done; nor could any Bank of the United States be required to receive all the notes which these eight hundred paper manufactories are constantly pouring out upon the public. From the law which regulates currency, that which is the worst, has always the most extensive circulation. Individuals will always hold fast by the gold and silver, and pass away the bank notes; and of these notes, they will pay out the doubtful, and preserve those which are above suspicion. No Bank of the United States, however great its capital, and extended its powers, could ever reach the evil. It could never transact business with one bank in ten, I might say in twenty, of the whole number.

But it is in vain to speculate upon this subject. Experience is the best teacher. One fact is worth one hundred arguments. Independently of the adverse experience of our own country, the experiment has been tried by the Bank of England under the most auspicious circumstances, and it has utterly failed.

The real capital of the Bank of England is about seventy millions of dollars, and it has ten branches at the most commercial and manufacturing points of the kingdom. In 1836, the rate of foreign exchange was largely against England. The specie of the Bank was, therefore, gradually drawn from its vaults for exportation. It became necessary, for its own salvation, that it should make a vigorous effort to diminish the amount of the circulating paper medium, and thereby restore the equilibrium of the foreign exchanges. The bank credits and currency of England had become so inflated, and, in consequence, the prices of all articles had advanced to such a standard, that, to use the language of one of their own statesmen, it had become the best country to sell in, and the worst country to buy in, throughout the world. It was profitable, therefore, to import every foreign production which could be admitted to entry, and on account of the high paper prices of their domestic productions, their exports were greatly diminished. The consequence was, a continued and ruinous drain of specie from the Bank of England to adjust the balance of the trade against that country. The bank well knew that, if it could limit the amount of the paper circulation, it would reduce the price of their home productions in the same proportion, and thus render it profitable for foreign merchants to export British manufactures instead of specie. For this purpose it contracted its loans and issues, in the vain hope that the joint stock and private banks would be compelled to follow its example. In our slang, it put the screws upon them. What was the result? I shall not enter upon a detail of particulars. It is sufficient to say, that, as it contracted, the other banks of the kingdom expanded their loans and their issues; and that, too, in a greater proportion than its loans and issues were diminished. Prices still continued to rise, and bullion still continued to be drawn out of the Bank for exportation. The utter impotency of this grand regulator of the currency to control the other banks and keep the paper currency of the kingdom within such limits as

to arrest the exportation of gold and silver, has thus been so clearly demonstrated, that many of the ablest British statesmen despair of accomplishing the object in any other manner than by restricting the issues of paper money to a single bank, and regulating their amount by the agency of the Government. Here, then, is an important fact incontestably established. If this be true, and there can be no question of its truth, I would ask the Senator how a National Bank, even with a capital of fifty millions of dollars, could regulate and restrain, within proper limits, the loans and issues of eight hundred State banks, scattered over the whole extent of this vast country? The thing is impossible. It could not be accomplished by such a bank.

And what is the condition of the Bank of England at the present moment? According to the testimony of Mr. Horsley Palmer, its president, given before the secret committee of the House of Commons, previous to its recharter in 1833, the principle on which it had proceeded in regulating its issues, was to keep as much coin and bullion in its coffers as amounted to a third part of its liabilities, including sums deposited, as well as notes in circulation. Experience had established the fact, that this rule of one for three of circulation and deposits was the safe proportion. Its necessities have compelled it to depart widely from this rule of its own creation. Instead of being able to regulate the loans and issues of other banks, it has with difficulty been able to save itself. It has been going down and down, until, according to the last quarterly statement of its condition which I have seen, it had not one pound sterling in bullion for seven of its circulation and deposits. In this respect it is in a much worse condition than many of the banks in our own country. In order to save itself from utter ruin, British pride has humbled itself so much, that the Bank of England became a suppliant to that of France for a supply of bullion, which was graciously, though condescendingly, granted. This fact is the highest evidence it is possible to present of the advantages which a country, the basis of whose circulation is gold and silver, enjoys over another country, whose paper currency is greatly expanded. The Bank of England will probably never see the day, under its present charter, when its bullion will again be equal to one-third of its circulation and deposits. Indeed, one bad crop, in its present condition, would drain it of its gold and silver for the purpose of purchasing foreign grain, and compel it to suspend specie payments. Neither this bank, nor the Bank of the United States, can ever be relied upon as regulators of the loans and issues of the other banks of their respective countries.

The Senator from Kentucky would have "*a well regulated Bank of the United States.*" He lays great emphasis upon the words "*well regulated.*" Does he mean to insinuate that the present Bank of the United States, under its charter from Congress, was not the best regulated bank which the world ever saw? I had thought, that, in his opinion, this Bank was perfection itself. The truth, however, is, that any regulations which you can prescribe in the charter of such an institution, will be disregarded, whenever a powerful interest dictates their violation. Like the strong man in the

Scriptures, it will snap the cords by which it is bound, as if they were thread. It will calculate upon violating its charter with perfect impunity, because it well knows how unwilling Congress would be to inflict so much evil upon the country as would necessarily result from its sudden destruction. Once put such an institution into successful operation, and you can no longer regulate its motion by the restrictions of its charter. The present Bank was ever a lawless institution, up until the day when it fraudulently seized upon the entire circulation of the old Bank, illegal branch drafts and all, and compelled Congress to pass a law making it a penitentiary offence in its officers to reissue these "resurrection notes." Under its State charter, it has been true to its original character. Although it now has a charter such as no other banking institution ever had, it has already been guilty of several palpable violations of this charter, independently of having twice suspended specie payments. I shall not trouble the Senate with the enumeration of these violations. It is now at the mercy of the Legislature. It has pronounced its own doom under its own charter; and it now only remains for the Legislature or the Governor to carry this sentence into execution, through the agency of the judicial tribunals. Whether they shall enforce this forfeiture or not, is for them in their wisdom to determine, not for me. I shall not, in this place, attempt to interfere with their high and responsible duties, although I should consider it the greatest of all bank reforms, if this Bank could be blotted out of existence.

The Senator ridiculed the idea that the establishment of a new Bank of the United States could prove dangerous to civil liberty. Such a Bank, with a capital of from fifty to a hundred millions of dollars, with branches in every State of the Union, directing, by its expansions and contractions, when prices should rise and when they should fall, would be a most tremendous instrument of irresponsible power. It would be a machine much more formidable than this Government, even if the Administration were as corrupt as the fancy of some gentlemen has painted it. There is a natural alliance between wealth and power. Mr. Randolph once said, "Male and female created he them." Combine the moneyed aristocracy of the country, through the agency of a National Bank, with the Administration, and their united power would create an influence which it would be almost impossible for the people to withstand. We should never again see these powers in hostile array against each other. In the days of Gen. Jackson we witnessed the exception, not the rule. Give any President such a Bank as I have described, and we shall hereafter have a most peaceful succession. With all the power of the Executive, combined with all the wealth of the country, he would be the most arrant blockhead in the world if he were not able to re-elect himself and to nominate his successor. All the forms of the Constitution might still remain. The people might still be deluded with the idea that they elected their President; but the animating spirit of our free institutions would be gone for ever. A secret, but all-pervading, moneyed influence, would sap the foundations of liberty and render it an empty name.

The immense power of such an institution was manifested in the tremendous efforts which it made against General Jackson. Had he not enjoyed more personal popularity in this country than any man who ever lived, these efforts would have proved irresistible. As it was, the conflict was of the most portentous character, and shook the Union to its centre. Indeed the Bank, at one time, would, in all human probability, have gained the victory, had the election of President chanced to occur at that period; and we should then have witnessed the appalling spectacle of the triumph of the Bank over the rights and liberties of the people. The Constitution of the country and the Democratic party would then have been prostrated together.

On Friday last, when I very unexpectedly addressed the Senate, I stated a principle of political economy which I shall now read from the book. It is this: "that if you double the amount of the necessary circulating medium in any country, you thereby double the nominal price of every article. If, when the circulating medium is fifty millions, an article should cost one dollar, it would cost two, if, without any increase of the uses of a circulating medium, the quantity should be increased to one hundred millions." The same effect would be produced, whether the circulating medium were specie, or convertible bank paper mingled with specie. It is the increased quantity of the medium, not its character, which produces this effect. Of course I leave out of view irredeemable bank paper.

I do not pretend that, on questions of political economy, you can attain mathematical certainty. All you can accomplish is to approach it as near as possible. The principle which I have stated is sufficiently near the truth to answer my present purpose. From this principle, I drew an inference that the extravagant amount of our circulating medium, consisting, in a great degree, of the notes thrown out upon the community by eight hundred banks, was injurious to our domestic manufactures. In other words, that extravagant banking and domestic manufactures are directly hostile to each other.

I did not understand that the Senator from Massachusetts [Mr. Davis] contested the general proposition that an increase in the currency of any country, without any increase of the uses of a circulating medium, would, in the same proportion, enhance the price of all the productions of that country whose value was not regulated by a foreign demand. He could not have contested this principle. If he had, all history and all experience would have been arrayed against him.

The discovery of the mines of South America, and the consequent vast increase of the precious metals put into circulation in the form of money, have greatly enhanced the nominal price of all property throughout the world. Indeed it is now a matter of curious amusement, to contrast the low prices of all articles three centuries ago, with their present greatly advanced rates. The Bank of England recognises, and constantly acts upon this principle, though often without success. When prices become so high, in consequence of a redundancy of paper currency and bank credits, that it is more profitable to export the precious me-

tals from the kingdom than its manufactures, this bank constantly diminishes its loans, raises the rate of interest, and reduces its circulation, with the avowed object of reducing prices to such a standard as will render it more profitable to export merchandise than bullion. It is in this manner that the Bank seeks to regulate the foreign exchanges.

But why need we resort to foreign nations for illustrations of the truth of this position, when it has been brought home to the actual knowledge of every man within this country. Have we not all learned, by bitter experience, that when our periodical expansions commence, the price of all property begins to rise? It goes on increasing with the increasing expansion, until the bubble bursts; and then bank accommodations and bank issues are contracted, the amount of the currency is reduced, and prices fall to their former level. This is the history of our own country, and we all know it. A certain amount of currency is necessary to represent the entire exchangeable property of a country; and if this amount should be greatly increased, without a corresponding increase in the exchangeable productions of the country, the only consequence would be a great enhancement in nominal prices. I say nominal; because this increased price will not enable the man who receives it to purchase more real property or more of the necessities and luxuries of life than he could have done before.

Let me now recur to the proposition with which I commenced; and I repeat that I do not pretend to mathematical accuracy in the illustration which I shall present. The United States carry on a trade with Germany and France; the former a hard money country, and the latter approaching it so nearly as to have no bank notes in circulation under the denomination of five hundred francs, or nearly one hundred dollars. On the contrary, the United States is emphatically a paper money country, having eight hundred banks of issue; all of them emitting notes of a denomination as low as five dollars, and most of them one, two, and three dollar notes. For every dollar of gold and silver in the vaults of these banks, they issue three, four, five, and some of them as high as ten, and even fifteen, dollars of paper. This produces a vast but ever changing expansion of the currency; and a consequent increase of the prices of all articles, the value of which is not regulated by the foreign demand, above the prices of similar articles in Germany and France. At particular stages of our expansions, we might with justice apply the principle which I have stated to our trade with these countries, and assert that, from the great redundancy of our currency, articles are manufactured in France and Germany for one-half of their actual cost in this country. Let me present an example. In Germany, where the currency is purely metallic, and the cost of every thing is reduced to a hard money standard, a piece of broadcloth can be manufactured for fifty dollars; the manufacture of which, in our country, from the expansion of our paper currency, would cost one hundred dollars. What is the consequence? The foreign French or German manufacturer imports this cloth into our country, and sells it for a hundred dollars. Does not

every person perceive that the redundancy of our currency is equal to a premium of one hundred per cent. in favor of the foreign manufacturer? No tariff of protection, unless it amounted to prohibition, could counteract this advantage in favor of foreign manufactures. I would to Heaven that I could arouse the attention of every manufacturer of the nation to this important subject.

The foreign manufacturer will not receive our bank notes in payment. He will take nothing home except gold and silver, or bills of exchange, which are equivalent. He does not expend this money here, where he would be compelled to support his family, and to purchase his labor and materials at the same rate of prices which he receives for his manufactures. On the contrary, he goes home, purchases his labor, his wool, and all other articles which enter into his manufacture, at half their cost in this country; and again returns to inundate us with foreign woollens, and to ruin our domestic manufactures. I might cite many other examples; but this, I trust, will be sufficient to draw public attention to the subject. This depreciation of our currency is, therefore, equivalent to a direct protection granted to the foreign over the domestic manufacturer. It is impossible that our manufacturers should be able to sustain such an unequal competition.

Sir, I solemnly believe that if we could but reduce this inflated paper bubble to any thing like reasonable dimensions, New England would become the most prosperous manufacturing country that the sun ever shone upon. Why cannot we manufacture goods, and especially cotton goods, which will go into successful competition with British manufactures in foreign markets? Have we not the necessary capital? Have we not the industry? Have we not the machinery? And above all, are not our skill, energy, and enterprise, proverbial throughout the world? Land is also cheaper here than in any other country on the face of the earth. We possess every advantage which Providence can bestow upon us for the manufacture of cotton; but they are all counteracted by the folly of man. The raw material costs us less than it does the English, because this is an article, the price of which depends upon foreign markets, and is not regulated by our own inflated currency. We, therefore, save the freight of the cotton across the Atlantic, and that of the manufactured article on its return here. What is the reason that, with all these advantages, and with the protective duties, which our laws afford to the domestic manufacturer of cotton, we cannot obtain exclusive possession of the home market, and successfully contend for the markets of the world? It is simply because we manufacture at the nominal prices of our own inflated currency, and are compelled to sell at the real prices of other nations. Reduce our nominal to the real standard of prices throughout the world, and you cover our country with blessings and benefits. I wish to Heaven I could speak in a voice loud enough to be heard throughout New England; because, if the attention of the manufacturers could once be directed to the subject, their own intelligence and native sagacity would teach them how injuriously they are affected by our bloated bank-

ing and credit system, and would enable them to apply the proper corrective.

What is the reason that our manufactures have been able to sustain any sort of competition, even in the home market, with those of British origin? It is because England herself is, to a great extent, a paper money country, though, in this respect, not to be compared with our own. From this very cause, prices in England are much higher than they are upon the continent. The expense of living is there double what it costs in France. Hence, all the English who desire to nurse their fortunes by living cheaply, emigrate from their own country to France, or some other portion of the continent. The comparative low prices of France and Germany have afforded such a stimulus to their manufactures, that they are now rapidly extending themselves, and would obtain possession, in no small degree, even of the English home market, if it were not for their protecting duties. Whilst British manufactures are now languishing, those of the continent are springing into a healthy and vigorous existence. It was but the other day that I saw an extract from an English paper, which stated that whilst the cutlery manufactured in Germany was equal in quality with the British, it was so reduced in price, that the latter would have to abandon the manufacture altogether.

The Senator from Massachusetts, after all our experience, doubts whether our currency has been inflated beyond the proper degree; and to prove that it has not been, he says that the rates of exchange upon England have often been below par. This fact does not tend to prove that our paper currency is not inflated at home. Our foreign exchanges are regulated by the specie standard of the world, not by the amount of our bank issues at home; and whether they are above or below par, depends upon whether we are the debtor or the creditor nation. We ought always to be, and would always be, the creditor nation, if it were not for our extravagant speculations in foreign merchandise, produced by the redundancy of our paper credits and circulation. Our immense exports of cotton ought always to produce a balance of trade in our favor; and yet this is rarely the case. There is generally a particular period, however, in the progress of each one of our expansions and contractions, when exchange is in our favor. This occurs after our cotton and other exports have paid the debt previously contracted to foreign nations; and before we have had the time and the ability to get fairly under way in a new career of extravagant importations. To say that this circumstance proves that our paper currency is not inflated, is an argument which I cannot understand. It proves nothing but that Providence has provided us a resource in our vast production of cotton, which enables us to repair the injuries which we suffer from our extravagant speculations. It does not touch my argument to show the pernicious influence which our expanded currency exerts on our domestic manufactures. If it were not for this cause, exchanges would not only be occasionally, but always, in our favor; and the Bank of England could not exercise that controlling influence over our banking institutions of which the Senator from Kentucky so loudly com-

plains. This influence is derived solely from the fact that we are almost always the debtor nation, as we must continue to be, until our wild speculations shall be arrested.

In addition to the reason suggested why foreign exchange has sometimes been in our favor, notwithstanding our extravagant importations, I might add another which has operated with vast power during the last two or three years. This is the immense amount of money which several of the States have borrowed from England within that period. This money constituted a fund on which bills were drawn to a large amount, and consequently reduced the rate of exchange. The payment of the interest on this debt, particularly as we shall probably not soon increase the principal, will operate hereafter in a contrary direction, and will tend to raise, not reduce, the rate of our foreign exchanges.

But the Senator from Kentucky [Mr. CLAY] leaves no stone unturned. He says that the friends of the Independent Treasury desire to establish an exclusive metallic currency, as the medium of all dealings throughout the Union; and, also, to reduce the wages of the poor man's labor so that the rich employer may be able to sell his manufactures at a lower price. Now, sir, I deny the correctness of both these propositions; and, in the first place, I, for one, am not in favor of establishing an exclusive metallic currency for the people of this country. I desire to see the banks greatly reduced in number; and would, if I could, confine their accommodations to such loans or discounts, for limited periods, to the commercial, manufacturing, and trading classes of the community, as the ordinary course of their business might render necessary. I never wish to see farmers and mechanics and professional men tempted, by the facility of obtaining bank loans for long periods, to abandon their own proper and useful and respectable spheres, and rush into wild and extravagant speculation. I would, if I could, radically reform the present banking system, so as to confine it within such limits as to prevent future suspensions of specie payments; and without exception, I would instantly deprive each and every bank of its charter, which should again suspend. Establish these or similar reforms, and give us a real specie basis for our paper circulation, by increasing the denomination of bank notes first to ten, and afterwards to twenty dollars, and I shall then be the friend, not the enemy of banks. I know that the existence of banks and the circulation of bank paper are so identified with the habits of our people, that they cannot be abolished, even if this were desirable. To reform, and not to destroy, is my motto. To confine them to their appropriate business, and prevent them from ministering to the spirit of wild and reckless speculation, by extravagant loans and issues, is all which ought to be desired. But this I shall say. If experience should prove it to be impossible to enjoy the facilities which well regulated banks would afford, without, at the same time, continuing to suffer the evils which the wild excesses of the present banks have hitherto entailed upon the country, then I should consider it the lesser evil to abolish them altogether. If the State Legislatures shall now do their duty, I do not believe that it

will ever become necessary to decide on such an alternative.

We are also charged by the Senator from Kentucky with a desire to reduce the wages of the poor man's labor. We have been often termed agrarians on our side of the House. It is something new under the sun, to hear the Senator and his friends attribute to us a desire to elevate the wealthy manufacturer, at the expense of the laboring man and the mechanic. From my soul, I respect the laboring man. Labor is the foundation of the wealth of every country; and the free laborers of the North deserve respect, both for their probity and their intelligence. Heaven forbid that I should do them wrong! Of all the countries on the earth, we ought to have the most consideration for the laboring man. From the very nature of our institutions, the wheel of fortune is constantly revolving and producing such mutations in property, that the wealthy man of to-day may become the poor laborer of to-morrow. Truly wealth often takes to itself wings and flies away. A large fortune rarely lasts beyond the third generation, even if it endure so long. We must all know instances of individuals obliged to labor for their daily bread, whose grandfathers were men of fortune. The regular process of society would almost seem to consist of the efforts of one class to dissipate the fortunes which they have inherited, whilst another class, by their industry and economy, are regularly rising to wealth. We have all, therefore, a common interest, as it is our common duty, to protect the rights of the laboring man; and if I believed for a moment that this bill would prove injurious to him, it should meet my unqualified opposition.

Although this bill will not have as great an influence as I could desire, yet, as far as it goes, it will benefit the laboring man as much, and probably more, than any other class of society. What is it he ought most to desire? Constant employment, regular wages, and uniform reasonable prices for the necessaries and comforts of life which he requires. Now, sir, what has been his condition under our system of expansions and contractions? He has suffered more by them than any other class of society. The rate of his wages is fixed and known; and they are the last to rise with the increasing expansion, and the first to fall when the corresponding revulsion occurs. He still continues to receive his dollar per day, whilst the price of every article which he consumes is rapidly rising. He is at length made to feel that, although he nominally earns as much, or even more than he did formerly, yet, from the increased price of all the necessaries of life, he cannot support his family. Hence the strikes for higher wages, and the uneasy and excited feelings which have at different periods, existed among the laboring classes. But the expansion at length reaches the exploding point, and what does the laboring man now suffer? He is for a season thrown out of employment altogether. Our manufactures are suspended; our public works are stopped; our private enterprises of different kinds are abandoned; and, whilst others are able to weather the storm, he can scarcely procure the means of bare subsistence.

Again, sir: who, do you suppose, held the greater part of the worthless paper of the one hundred and sixty-five broken banks to which I have referred? Certainly it was not the keen and wary speculator, who snuffs danger from afar. If you were to make the search, you would find more broken bank notes in the cottages of the laboring poor than any where else. And these miserable shimplasters, where are they? After the revolution of 1837, laborers were glad to obtain employment on any terms; and they often received it upon the express condition that they should accept this worthless trash in payment. Sir, an entire suppression of all bank notes of a lower denomination than the value of one week's wages of the laboring man is absolutely necessary for his protection. He ought always to receive his wages in gold and silver. Of all men on the earth, the laborer is most interested in having a sound and stable currency.

All other circumstances being equal, I agree with the Senator from Kentucky that that country is most prosperous where labor commands the highest wages. I do not, however, mean by the terms "highest wages," the greatest nominal amount. During the Revolutionary war, one day's work commanded a hundred dollars of continental paper; but this would scarcely have purchased a breakfast. The more proper expression would be, to say that that country is most prosperous where labor commands the greatest reward; where one day's labor will procure not the greatest nominal amount of a depreciated currency, but most of the necessities and comforts of life. If, therefore, you should, in some degree, reduce the nominal price paid for labor, by reducing the amount of your bank issues within reasonable and safe limits, and establishing a metallic basis for your paper circulation, would this injure the laborer? Certainly not; because the price of all the necessities and comforts of life are reduced in the same proportion, and he will be able to purchase more of them for one dollar in a sound state of the currency, than he could have done, in the days of extravagant expansion, for a dollar and a quarter. So far from injuring, it will greatly benefit the laboring man. It will insure to him constant employment and regular prices, paid in a sound currency, which, of all things, he ought most to desire; and it will save him from being involved in ruin by a recurrence of those periodical expansions and contractions of the currency, which have hitherto convulsed the country.

This sound state of the currency will have another most happy effect upon the laboring man. He will receive his wages in gold and silver; and this will induce him to lay up, for future use, such a portion of them as he can spare, after satisfying his immediate wants. This he will not do at present, because he knows not whether the trash which he is now compelled to receive as money, will continue to be of any value a week or a month hereafter. A knowledge of this fact tends to banish economy from his dwelling, and induces him to expend all his wages as rapidly as possible, lest they may become worthless on his hands.

Sir, the laboring classes understand this subject perfectly. It is the hard-handed and firm-fisted men of the country on whom we must rely in the day of danger, who are the most friendly to the passage of this bill. It is they who are the most ardently in favor of infusing into the currency of the country a very large amount of the precious metals.

The Senator has advanced another position in which I am sorry I cannot agree with him. It is this: that a permanent high rate of interest is indicative of the prosperity of any country. Now, sir, a permanent high rate of interest is conclusive evidence of a scarcity of capital, and is indicative of any thing but prosperity. I think, therefore, it will puzzle him, with all his ingenuity, to establish his proposition. To render a country truly prosperous, capital and labor must be so combined as each to receive a fair reward. In England, when the rate of interest was very high, the country was not at all in a flourishing condition; but as capital gradually accumulated, and the rate of interest consequently sunk, she became more and more prosperous, though she did not reach her highest elevation until money yielded considerably less than five per cent. But this subject is so little relevant to the question under discussion, that it is scarcely necessary to pursue it. If it were, it would be easy to show that a high rate of interest, generally, if not universally, enters into direct conflict with the wages of labor, which the Senator is so anxious to maintain. Suppose, for example, that it required a capital of \$20,000 to put and to preserve an iron manufactory in successful operation. In one country the interest on this sum at ten per cent. would amount to \$2,000, whilst in another it could be procured at four cent. or \$800. The difference would be \$1,200; and, unless this amount can be saved either by a reduction in the wages of labor, or in some other manner, the manufacturer who pays the higher rate of interest cannot endure the competition. A high rate of interest almost always presses upon the wages of labor.

If the gentleman's theory be correct, Wall street must be a perfect paradise of prosperity. There, the rate of interest for a long time has been permanently high, varying between two and four per cent. a month, or between twenty-four and forty-eight per cent. per annum. Post notes of the Bank of the United States have been discounted freely at two per cent. per month. With these facts before him, Mr. Jeffery would not now declare, as the Senator informs us he formerly did, "that this country was the heaven of the poor man and the hell of the rich." He might probably reverse the position, though it would be equally extravagant one way as the other. A country in which a rich man can realize from twenty-four to forty-eight per cent. for his money, would certainly be any thing but a place of torment for him. But what is the condition of a poor man in such a country? When capital commands such an extravagant interest to liquidate commercial debts, it will no longer be used in the employment of labor; and hence poor men must necessarily be thrown out of employment. Such a condition is any thing but a heaven to them.

The Senator exclaims with holy horror, "the Stuarts are still upon the throne, and Charles the Second has succeeded Charles the First." He has, I think, been very unfortunate in this historical allusion, if he intended to compare our Andrew with the first Charles. The enemies of Charles cut off his head, whilst our Andrew, politically speaking, cut the heads off all his enemies; and many of them were in such terror of him, that they dreaded he might turn the metaphor into a reality, and cut off their heads in earnest. Charles the Second did not succeed Charles the First. My Lord Protector intervened. Although he and the Senator from Kentucky are as different in other respects as two able and brave men can be, yet whilst he was speaking, it struck me that there was one striking point of resemblance between them. And what, sir, do you think that was? My Lord Protector always began and ended every thing as the Senator has begun and ended his speech—with prayer. Then in regard to the second Charles, I have a little to say. Of all men, the Senator ought to be the last to disparage our Martin. I have read of a great conquered General, who always pronounced his conqueror to be a very able and brave man, because, as the historian observes, it would have lessened the merits of the vanquished to have been overcome by a fool or a coward. The Senator, in speaking of Martin, ought rather to exclaim,

"Great let me call him, for he conquered me."

If, in addition, the little magician should be victorious over the hero of Tippecanoe, in the great battle to be fought the approaching autumn, and I have full faith that such will be the result, then he will go down to posterity with all "his blushing honors thick upon him."

Thanking the Senate for their patient attention, I shall now resume my seat.